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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

JOINT DECISION POINT LIST
(NETWORK ARCHITECTURE)

WorldCom, Cox, AT&T ads. Verizon
(Docket Nos. 00-218, 00-249, and 00-251)

ISSUE NUMBERING KEY:

- Category I: (1) unique to Cox or common to (2) Cox and **WorldCom**, (3) Cox and *AT&T*, or (4) all Petitioners
Category II: common to **WorldCom** and *AT&T* (pricing/costing)
Category III: common to **WorldCom** and *AT&T* (non-pricing/non-cost)
Category IV: unique to WorldCom
Category V: unique to AT&T
Category VI: Verizon supplemental issues with WorldCom
Category VII: Verizon supplement issues with AT&T

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY:

WorldCom (bold)

Cox (underline text)

AT&T (italic)

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon VA Rationale
Network Architecture					
I-1	Does WorldCom, as the requesting carrier, have the right pursuant to the Act, the FCC's Local Competition Order, and FCC regulations, to designate the network point (or points) of interconnection at any technically feasible point, including a single POI per LATA? May Verizon impose multiple points of interconnection or shift to WorldCom the financial	<p><u>PART A: POINTS OF INTERCONNECTION</u></p> <p><i>Each Party shall interconnect to the other Party's network in accordance with the following:</i></p>	<p>WorldCom, as the requesting carrier, has the right to designate the network point (or points) of interconnection at any technically feasible point, including a single Point Of Interconnection per LATA. Texas 271 Order.</p> <p>(Grieco/Ball Direct, 7/31, at 15). WorldCom has proposed contract language consistent with its rights. Verizon has proposed language</p>	<p>2. Points of Interconnection (POI) and Trunk Types</p> <p>2.1 Points of Interconnection ("POI").</p> <p>2.1.1 As and to the extent required by Section 251 of the Act, the Parties shall provide interconnection of their networks at any technically feasible point as specified in this Agreement. To the extent the originating Party's POI</p>	<p>The issue is not whether the Petitioners have the right to designate their points of interconnection ("POIs") with Verizon VA's network. Verizon VA is not attempting to make that designation. The issue is whether the Petitioners are financially responsible for bearing the costs of their decision. Verizon VA should not be forced to subsidize the Petitioners' cost of interconnection as well as their network design choices.</p>

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	<p>responsibility to transport Verizon's originating traffic?</p> <p><u>Verizon may not, through its designations of interconnection points or by discounting the compensation it owes Cox, require Cox to pay for Verizon's delivery of Verizon's traffic to Cox's network.</u></p> <p><i>Point of Interconnection Should each Party be financially responsible for all of the costs associated with its originating traffic that terminates on the other Parties' network; regardless of the location and/or number of points of interconnection, as long as there is at least one Point of Interconnection per LATA?</i></p>	<p>1.1 VERIZON shall permit AT&T to interconnect at any technically feasible point on the VERIZON network, including, without limitation, Tandems, End Offices, outside plant facilities, and customer premises. The point where the Parties interconnect shall be called a Point of Interconnection ("POI"). Such POIs shall be used to (1) deliver ESIT originating on AT&T's network to VERIZON and (2) to exchange Transit Traffic and Meet Point Billing Traffic.</p> <p>1.2 At AT&T's sole discretion, AT&T will establish one or more POIs within a LATA in which AT&T offers local exchange service.</p> <p>1.3 VERIZON shall interconnect to the AT&T network (i.e., establish a POI) for the delivery of ESIT originating on the VERIZON network at such points mutually agreed to between the Parties or, lacking mutual agreement, at each respective AT&T Switch serving the</p>	<p>which deprives WorldCom of this right and which violates several of the Commission's prior rulings. Verizon has proposed contract language which 1) requires WorldCom to establish multiple interconnection points and which 2) imposes costs on WorldCom for Verizon originated traffic if WorldCom fails to establish multiple interconnection points.</p> <p>Verizon cannot reduce reciprocal compensation payments made to WorldCom, as Verizon proposes, because WorldCom has exercised that right. WorldCom is entitled to symmetrical reciprocal compensation payments. (Grieco/Ball Direct, 7/31, at 22-23)</p> <p>In the Kansas/Oklahoma 271 Order the FCC declared that a CLEC's entitlement to reciprocal compensation cannot be reduced because it has established a single POI. The Commission also reaffirmed that an ILEC cannot charge a CLEC for traffic that originates on the ILECs network. (Grieco/Ball Direct, 7/31, at 24.)</p> <p>Verizon cannot impose transport costs on WorldCom for traffic which originates on Verizon's network. 47 CFR 51.703 (b). The</p>	<p>is not located at the terminating Party's relevant Interconnection Point ("IP"), the originating Party is responsible for transporting its traffic from it's POI to the terminating Party's relevant IP.</p> <p>2.1.2 MCIm may specify any of the following methods for interconnection with Verizon:</p> <p>2.1.2.1 a Collocation node MCIm has established at the Verizon-IP pursuant to the Collocation Attachment; and/or</p> <p>2.1.2.2 a Collocation node that has been established separately at the Verizon-IP by a third party with whom MCIm has contracted for such purposes; and/or</p> <p>2.1.2.3 an Entrance Facility and transport leased from Verizon (and any necessary multiplexing) pursuant to the applicable Verizon access Tariff, from the MCIm POI to the Verizon-IP.</p> <p>2.1.3 Verizon may specify any of the following methods for interconnection with MCIm:</p> <p>2.1.3.1 interconnection at a Collocation node that MCIm has established at the Verizon-IP</p>	<p>When a Petitioner chooses to locate its only POI in a LATA, the Petitioner should be financially responsible for hauling the Verizon VA-originated call to the distant POI when that call leaves the local calling area. This is consistent with the Commission's prior rulings, the federal case law, and recent State Commission decisions on this issue. The Commission should adopt Verizon VA's VGRIP proposal, offered as a compromise. The Petitioners should not be permitted to foist upon Verizon VA the cost of their business decisions while simultaneously encouraging inefficient behavior.</p> <p>Verizon's proposal makes a distinction between the Point of Interconnection ("POI") and the Interconnection Point ("IP"). A POI is where the ILEC and CLEC physically interconnect their respective networks. An IP is the place in the network at which one local exchange carrier hands over financial responsibility for traffic to another local exchange carrier. A POI and an IP may be at the same place but do not have to be. Pursuant to Verizon VA's proposal, Verizon VA is financially responsible for delivering its traffic to the CLEC's IP. Once Verizon VA delivers traffic originating on its network to the</p>

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		terminating AT&T end user.	regulation provides that "A LEC may not assess charges on any other telecommunications carrier for local telecommunications traffic that originates on the LEC's network."	pursuant to the Collocation Attachment; and/or	CLEC's IP, then the CLEC is responsible for transporting the traffic to its customer.
		1.4 Each Party will be responsible (including financial responsibility) for providing all of the facilities and engineering its network on its respective side of each POI.	Verizon's proposal has exactly the effect prohibited by the regulation. Verizon's proposal imposes costs on WorldCom for transport of Verizon's originated traffic from the 'IP's (which Verizon seeks to impose) to the POI. (Grieco/Ball Direct, 7/31, At 23-24).	2.1.3.2 interconnection at a Collocation node that has been established separately at the Verizon-IP by a third party and that is used by MCIm; and/or	Verizon VA's position is that the IP, or location where financial responsibility shifts from Verizon VA to the CLEC, must be at a much more reasonable location so that the transport costs are fairly allocated between the carriers. The issue is not, as WorldCom states, whether a CLEC has the right to choose the location of its POI within Verizon VA's network. It unquestionably does. Rather, the issue is whether the CLEC should be financially responsible for its POI-location decision. If there is no financial accountability for the CLEC when it comes to the location for its POI, then the transport costs associated with hauling local calls outside of the local calling area to the distant CLEC POI are unfairly shifted entirely to Verizon VA.
		1.5 Each Party shall compensate the terminating Party under terms of this Agreement for any transport that is used to carry ESIT between the POI and a distant switch serving the terminating end user. Such transport shall be either Dedicated Transport or Common Transport pursuant to the interconnection method elected by the originating Party, subject to the terms of Part B.	WorldCom is entitled to design its network in the most efficient manner it can; it is not required to mimic Verizon's architecture, which is the effect created by Verizon's GRIPs proposal. Local Competition Order. (Grieco/Ball Direct, 7/31 at 21-22).	2.1.3.3 a Collocation node or other operationally equivalent arrangement Verizon established at the MCIm-IP ; and/or	
		1.6 In the event that AT&T elects to offer service within a LATA using a switch located in another LATA, AT&T agrees to provide the transport for both Parties' traffic between the remote AT&T switch and a point (i.e., a facility point of presence) within the LATA in	WorldCom cannot be compelled to establish multiple points of interconnection; nor can Verizon impose the financial equivalent of a multiple POI regime, which is what Verizon's GRIPs proposal represents.	2.1.3.4 a Collocation node established separately at the MCIm-IP by a third party with whom Verizon has contracted for such purposes; and/or	
			The FCC has established the principle that co-carriers are responsible for delivering their	2.1.3.5 an Entrance Facility leased from MCIm (and any necessary multiplexing), to the MCIm-IP.	
				7.1 <u>Local Traffic Reciprocal Compensation Interconnection Points</u>	
				7.1.1 Except as otherwise agreed by the Parties, the Interconnection Points ("IPs") from which MCIm will provide transport and termination of Local Traffic to its Customers ("MCIm-IPs") shall be as follows:	The unfairness of the CLECs' POI position is reflected in Verizon VA's Staunton to Roanoke examples on pages 7 - 8 of Verizon VA's direct testimony on non-mediation issues. Verizon VA's proposal, however, does not adversely affect the CLECs' ability to compete. Verizon VA may continue to be responsible financially for delivering traffic outside of the
				7.1.1.1 For each LATA in which	

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		<p>which AT&T offers service. Such facility point of presence shall be deemed to be an AT&T Switch Center for the purposes of this Schedule.</p> <p>1.7 The Parties will work cooperatively to establish the most efficient trunking network in accordance with the provisions set forth in this Agreement and accepted industry practices.</p> <p>1.8 Nothing in this Schedule shall limit AT&T's right to interconnect with VERIZON.</p> <p><u>PART B:</u> <u>INTERCONNECTION ARCHITECTURE</u></p> <p>1 AT&T METHODS – AT&T, in its sole discretion, may specify one or more of the following methods to interconnect with the VERIZON network:</p> <p>1.1 Collocation - VERIZON shall provide collocation to</p>	<p>originating traffic all the way to the network of the other co-carrier. TSR Wireless . (Grieco/Ball Direct, 7/31, at 16-17). WorldCom's interconnection proposal is consistent with this principle; Verizon's is not.</p> <p>Various Court's have upheld a CLEC's right to designate a single technically feasible POI and struck down attempts to impose a multiple POI requirement on CLECs. (Grieco/Ball Direct, 7/31, at 18).</p> <p>Similarly, the NY and Mass. Commissions have rejected GRIPs. (Grieco/Ball Direct, 7/31, at 25; Grieco/Ball Rebuttal, 8/17, at 8-9).</p> <p>WorldCom's local network is much smaller than Verizon's and has a different architecture. (Grieco/Ball Direct, 7/31, at 3-5). The Act contemplates that CLEC networks will be different than ILEC networks. Verizon's GRIPs proposal is an attempt to force WorldCom to build an architecture and network like Verizon's. (Grieco/Ball Rebuttal, 8/17, at 11).</p> <p>The POI is the financial demarcation point where a carrier's financial responsibility to terminate co-carrier traffic, and to</p>	<p>MCIm requests to interconnect with Verizon, except as otherwise agreed by the Parties, MCIm shall establish a MCIm IP in each Verizon Rate Center Area (or Exchange Area) where MCIm chooses to assign telephone numbers to its Customers. MCIm shall establish such MCIm-IP consistent with the methods of interconnection and interconnection trunking architectures that it will use pursuant to Section 2 of this Attachment.</p> <p>7.1.1.2 At any time that MCIm establishes a Collocation site at a Verizon End Office Wire Center in a LATA in which MCIm is interconnected or requesting interconnection with Verizon, either Party may request in writing that such MCIm Collocation site be established as the MCIm-IP for traffic originated by Verizon Customers served by that End Office. Upon such request, the Parties shall negotiate in good faith mutually acceptable arrangements for the transition to such MCIm-IP. If the Parties have not reached agreement on such arrangements within thirty (30) days, (a) either Party may pursue available dispute resolution mechanisms; and, (b)</p>	<p>local calling area. In addition, if the Petitioners do not intend to serve any customers in a particular area, their ability to compete is not hampered. In those areas where Petitioners do intend to compete, they do not need to build facilities throughout the area. Petitioners can build facilities up to a single point in each LATA and then purchase those facilities they need from Verizon VA or from another carrier to reach the local calling areas they want to serve. Contrary to the CLECs' complaints, they are not required to build out their network to duplicate Verizon VA's existing network.</p> <p>AT&T, WorldCom and Cox are missing the point. The issue is not about their networks and how they are designed. The real issue is about how the CLECs are using Verizon VA's network without compensating Verizon VA for transporting calls outside of the local calling area. Verizon VA is not asking the CLECs to adapt their network design to mirror Verizon VA's. Verizon VA wants the CLECs to compensate Verizon VA for the transport facilities being utilized by the CLECs.</p> <p>The CLECs' definition of an "efficient" interconnection arrangement ignores the costs that</p>

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		<p><i>AT&T pursuant to the terms set forth in Section 13 (Collocation) of this Agreement. AT&T may, at its option, purchase such collocation at the rates, terms, and conditions set forth in this Agreement.</i></p> <p>1.2 <i>UNE Dedicated Transport provided by VERIZON – such leased facilities shall be provided at the rates, terms, and conditions set forth in this Agreement and consistent with applicable law.</i></p> <p>1.3 <i>Exchange Access Dedicated Transport (i.e., entrance facilities) provided by VERIZON - such leased facilities shall be provided at the rates, terms, and conditions set forth the VERIZON exchange access tariff and consistent with applicable law.</i></p> <p>1.4 <i>Third Party Facilities – where AT&T utilizes the facilities provided by a source other than itself or VERIZON. AT&T shall comply with industry standards to maintain</i></p>	<p>deliver its originating traffic, occurs. (Grieco/Ball Direct, 7/31, at 6.)</p> <p>Verizon's proposal requires WorldCom to build facilities in circumstances where it is not economic for WorldCom to do so. This economic burden is a barrier to entry. (Grieco/Ball Direct, 7/31, At 13; Grieco/Ball Rebuttal, 8/17, at 15-16).</p> <p>WorldCom and Verizon have interconnected since 1996 via either a single POI or dual POI approach. VGRIPs will undo the fundamental understanding which underlies existing interconnection arrangements. (Grieco/Ball Rebuttal, 8/17, at 3,4, 7).</p> <p>VGRIPs either requires a CLEC to build facilities to multiple so-called IPs or to pay Verizon for transport of Verizon's traffic. This deprives a CLEC of its right to designate a single point of interconnection. (Grieco/Ball Rebuttal, 8/17, at 5,9).</p> <p>A single POI does not force Verizon to build new facilities between its end office and the POI, contrary to Verizon's claim, because Verizon currently provides facilities to the</p>	<p>MCIm shall bill and Verizon shall pay the lesser of the negotiated intercarrier compensation rate or the End Office reciprocal compensation rate for the relevant traffic less Verizon's transport rate, tandem switching rate (to the extent traffic is tandem switched), and other costs (to the extent that Verizon purchases such transport from MCIm or a third party), from the originating Verizon End Office to the receiving MCIm-IP.</p> <p>7.1.1.3 In any LATA where the Parties are already interconnected prior to the effective date of this Agreement, MCIm may maintain existing IPs, except that Verizon may request in writing to transition such MCIm-IPs to the MCIm-IPs described in subsections 7.1.1.1 and 7.1.1.2, above. Upon such request, the Parties shall negotiate mutually satisfactory arrangements for the transition to IPs that conform to subsections 7.1.1.1 and 7.1.1.2, above. If the Parties have not reached agreement on such arrangements within thirty (30) days, (a) either Party may pursue available dispute resolution mechanisms; and, (b) MCIm shall bill and Verizon shall pay only the lesser of the negotiated intercarrier compensation rate or the End</p>	<p>Verizon VA must bear under their proposals. Under Verizon VA's VGRIP proposal, Verizon VA only requires the CLEC to be financially responsible for taking the Verizon VA originated traffic from a centralized location in the local calling areas where the CLEC chooses to do business. If the CLEC chooses not to pick up the traffic at a centralized location, then Verizon VA will deliver it to the distant CLEC POI and should be compensated for its transport costs beyond the local calling area. The focus of the issue should be on financial responsibility and competition because it would be ironic if the Act, which was meant to foster market-driven competition, prohibited the consideration of cost, allowing the CLECs to force Verizon VA to subsidize their inefficient behavior.</p> <p>Verizon VA Direct Testimony on Non-Mediation Issues, pages 4-15; Verizon VA Rebuttal Testimony on Non-Mediation Issues, pages 2-11.</p>

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		<p>network integrity and will be solely responsible for any charges or fees assessed by the third party for use of its facilities.</p> <p>1.5 <i>Intra-building Interconnection – where both Parties have a presence within a building (e.g., a commercial building that is not a telephone central office or a telephone central office condominium arrangement) utilizing an intra-building cable.</i></p> <p>1.6 <i>Mid-Span Fiber Meet - is an interconnection method whereby the Parties jointly establish a fiber optic facility system, with each Party providing the appropriate fiber optic terminal equipment located in its serving wire center designated by AT&T and the appropriate fiber optic cable strands between its serving wire center and a splice location designated by AT&T.</i></p> <p>1.6.1 <i>The Parties shall provision any Mid-Span Fiber Meet by initially allocating the use of</i></p>	<p>POIs under current arrangements. (Grieco/Ball Rebuttal, 8/17, at 7).</p> <p>VGRIPs is fundamentally unfair because it relieves Verizon of the cost of delivering its traffic to the CLEC while the CLEC is still obligated to bear the full cost of delivering its traffic to Verizon. (Grieco/Ball Rebuttal, 8/17, at 10).</p> <p>Contrary to Verizon's claim, a CLEC does incur transport costs when it delivers calls from the POI to its customers. The CLEC incurs costs delivering calls from the POI, to its switch and then to its end-user, including end-users that are located a significant distance from the POI. (Grieco/Ball Rebuttal, 8/17, at 13).</p> <p>A single POI will not cause Verizon to haul calls 90 miles from Staunton to Roanoke because WorldCom does not provide service in the Roanoke LATA. (Grieco/Ball Rebuttal, 8/17, at 13).</p> <p>Contrary to Verizon's claim, the length a call travels does not determine if it is local or toll. (Grieco/Ball Rebuttal, 8/17, at 14).</p> <p>The possibility that Verizon may have to haul a call outside of its</p>	<p>Office reciprocal compensation rate for relevant traffic, less Verizon's transport rate, tandem switching rate (to the extent traffic is tandem switched), and other costs (to the extent that Verizon purchases such transport from MCIm or a third party), from Verizon's originating End Office to the MCIm IP.</p> <p>7.1.2 Except as otherwise agreed by the Parties, the Interconnection Points ("IPs") from which Verizon will provide transport and termination of Local Traffic to its Customers ("Verizon-IPs") shall be as follows:</p> <p>7.1.2.1 For Local Traffic delivered by MCIm to the Verizon Tandem subtended by the terminating End Office serving the Verizon Customer, the Verizon-IP will be the Verizon Tandem Wire Center.</p> <p>7.1.2.2 For Local Traffic delivered by MCIm to the Verizon terminating End Office Wire Center serving the Verizon Customer, the Verizon-IP will be Verizon End Office Wire Center.</p> <p>7.1.3 Should either Party offer additional IPs to any</p>	

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		<p><i>the facilities equally, with half the facility channels allotted to the use of AT&T, and half of the facility channels allotted to the use of VERIZON. Neither Party shall take any action that is likely to impair or interfere with the other Party's use of its allotted facilities.</i></p> <p>1.6.2 <i>If AT&T elects to interconnect with VERIZON through a Mid-Span Fiber Meet arrangement, such arrangement shall utilize SONET protocol and provide the Parties multiple DS-3 interfaces or mutually agreed upon OC-n interfaces. In the event a Mid-Span Fiber Meet arrangement is utilized, unless the Parties agree otherwise, each Party agrees to bear all expenses associated with the purchase of appropriate equipment, materials, or services necessary to install and maintain such arrangement on its side of the fiber splice. The reasonably incurred construction costs for a Mid-Span Fiber Meet established pursuant to this Section will</i></p>	<p>local calling area, due to a CLECs designation of a single POI, is not unusual because Verizon will haul local calls for itself outside of a local calling area. (Grieco/Ball Rebuttal, 8/17, at 14).</p> <p>The Massachusetts DTE correctly rejected Verizon's claim that a single POI is an 'expensive interconnection.' (Grieco/Ball Rebuttal, 8/17, at 15).</p> <p><u>POSITION:</u></p> <ul style="list-style-type: none"> • <u>The nationwide switched network should be used to maximize effectiveness and efficiency for the benefit of all customers, and Cox should not be forced to build duplicative and wasteful facilities solely to reduce Verizon's costs. Cox Petition at 7; Collins Direct Testimony at 8; Collins Rebuttal Testimony at 2.</u> • <u>The "geographically relevant interconnection points" proposed by Verizon represent an attempt to limit the transportation costs that Verizon should bear in delivering its traffic to Cox, and Cox should not be forced to bear inappropriately the costs of facilities used by Verizon in the delivery of its traffic to Cox's network. Cox Petition at 8; Collins</u> 	<p>Telecommunications Carrier that is not a Party to this Agreement, the other Party may elect to deliver traffic to such IPs for the NXXs or functionalities served by those IPs. To the extent that any such MCIm-IP is not located at a Collocation site at a Verizon Tandem Wire Center or Verizon End Office Wire Center, then MCIm shall permit Verizon to establish physical Interconnection through collocation or other operationally comparable arrangements acceptable to Verizon at the MCIm-IP, to the extent such physical Interconnection is technically feasible.</p> <p>7.1.4 Each Party is responsible for delivering its Local Traffic that is to be terminated by the other Party to the other Party's relevant IP.</p> <p>FROM GLOSSARY</p> <p>2.49 IP (Interconnection Point).</p> <p>The point at which a Party who receives Local Traffic originating on the network of the other Party assesses Reciprocal Compensation charges for the further transport and termination of that Local Traffic.</p>	

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		<p><i>be shared equally (i.e., 50:50) between the Parties, unless otherwise agreed in writing. No other charges shall apply to either Party's use of its allotted facilities over such Mid-Span Fiber Meet arrangement for the term of the Agreement. Augments to the Mid-Span Fiber Meet shall be mutually agreed to by the Parties in writing. Either Party may purchase transport capacity on the Mid-Span Fiber Meet arrangement allotted to the other Party when the other Party has spare capacity. Spare capacity shall mean an existing unused DS3 facility between the Mid-Span Fiber Meet fiber optic terminals that the providing Party does not plan to use within the next twelve months immediately following the request for spare capacity. A Party must respond to a request for spare capacity from the other Party within ten (10) business days notifying the other Party whether the spare capacity exists. If spare capacity is available, the providing Party shall</i></p>	<p><u>Direct Testimony at 6.</u></p> <ul style="list-style-type: none"> • In LATAs with only one tandem, <u>Verizon's proposal would effectively invalidate any CLEC's decision to interconnect at the tandem rather than each end office. Because Verizon could unilaterally designate additional "geographically relevant" IPs, a CLEC that chose to use tandem interconnection (and agreed-to tandem IP) would be subject at any time to having its decision overruled by a Verizon determination that the end offices should be the new "geographically relevant" points. Collins Direct Testimony at 7.</u> • While not required by law to do so, <u>Cox has agreed to establish multiple interconnection points at every Verizon switch where Cox interconnects, thus obligating Cox to hand off its traffic to Verizon at Verizon's doorstep. Cox Petition at 8; Collins Rebuttal Testimony at 7.</u> • <u>Verizon insists that it should be permitted, by the imposition of "geographically relevant interconnection points," to hand off its traffic to Cox somewhere well within Verizon's network, far from Cox's doorstep, or alternatively to force Cox to discount the compensation rate that is owed by</u> 	<p>2.71 POI (Point of Interconnection).</p> <p>The physical location where the originating Party's facilities physically interconnect with the terminating Party's facilities for the purpose of exchanging traffic.</p> <p><u>FROM Verizon proposed Glossary to Cox:</u></p> <p><u>1.37 "IP" or "Interconnection Point" means the point at which a Party who receives traffic originating on the network of the other Party assesses Reciprocal Compensation charges for the further transport and termination of that traffic.</u></p> <p><u>1.54 "Point of Interconnection" or "POI" means the physical location where the originating Party's facilities physically interconnect with the terminating Party's facilities for the purpose of exchanging traffic.</u></p> <p><u>4.1 Interconnection Activation</u></p> <p><u>Cox represents that it is providing fully operational service predominantly over its own Telephone Exchange Service facilities to business and residential Customers in Virginia through the IPs listed in the attached Schedule 4.1. Cox and Verizon have set forth in</u></p>	

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		<p>provision the spare capacity within thirty (30) business days from the date of the request if no significant equipment hardware and/or software additions or changes are required. If significant hardware and/or software additions or changes are required, the providing Party shall provision the spare capacity within a commercially reasonable time frame using commercially reasonable efforts to minimize the amount of time required to effectuate such required additions or changes, but in no event later than one hundred twenty (120) business days from the date of the request. After provisioning of the spare capacity is completed, the Party receiving the spare capacity may place orders for services using that spare capacity. Once orders are submitted by the Party receiving the spare capacity, the standard provisioning intervals will apply based on the types of services requested, provided that all necessary facilities beyond</p>	<p>Verizon for such traffic. Cox bears the costs of all facilities used in the door-to-door delivery of its traffic and believes that Verizon must do the same. Cox Petition at 8; Collins Direct Testimony at 9.</p> <ul style="list-style-type: none"> • Under the Act, the originating carrier should bear the expense of transporting its traffic to the other carrier, but Verizon proposes to shift that expense to Cox. Moreover, Cox would be forced to bear higher costs than would Verizon because facilities would have to be constructed by Cox while Verizon could rely on existing facilities. Cox Petition at 8; Collins Direct Testimony at 9. • Verizon's proposal would unnecessarily interfere with Cox's ability to engineer its network to minimize Cox's costs of serving its customers, whereas Cox's proposal leaves both parties free to engineer their own network to best serve their customers' needs at the lowest possible cost. Cox Petition at 9; Collins Direct Testimony at 8. • For the vast majority of the interconnection arrangements between Verizon and Cox, the distance between the boundary of the Verizon local calling area and the Cox IP is within the parameters that 	<p>Schedule 4.1 their implementation schedule for their initial IPs through which they intend to provide service. To the extent Verizon or Cox wishes to provide service through IPs in additional LATAs, Verizon and Cox will mutually agree to an implementation schedule for those IPs and amend Schedule 4.1 to reflect that implementation schedule. To that end, the Parties will establish and perform to milestones such as trunking arrangements for Traffic Exchange, timely submission of Access Service Requests, 911 Interconnection establishments, SS7 Certification and arrangements for alternate-billed calls.</p> <p>4.2 Trunk Types and Interconnection Points</p> <p>4.2.1 Trunk Types. Section 4 describes the architecture for Interconnection of the Parties' facilities and equipment over which the Parties shall configure the following separate and distinct trunk groups:</p> <p>Traffic Exchange Trunks for the transmission and routing of terminating Local Traffic, Tandem Transit Traffic, Internet Traffic, translated LEC IntraLATA toll free service access code (e.g.</p>	

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		<p><i>the Mid-Span Fiber Meet fiber optic terminals are available. The rate charged by one Party to the other Party for such spare capacity shall be no more than the rates set forth in Exhibit A (Pricing) for UNE-Dedicated Transport.</i></p> <p>1.6.3 <i>The originating Party is responsible for transporting its traffic from the cross-connection device (e.g., DS-X or LG-X panel) serving the terminating Party's terminating electronics for the Mid-Span Fiber Meet to the POI that is applicable to the traffic which is being terminated. The originating Party shall provide or cause to be provided any transport needed to deliver its traffic to any such POI that is not within the same serving wire center as the Mid-Span Fiber Meet terminal equipment. The Parties will utilize one of the interconnection methods set forth in this Part B Section 1 or Section 2, as applicable, for any such additional transport.</i></p>	<p>Verizon has proposed for "geographical relevance," and Cox expects that to be the case for the foreseeable future. The costs being borne by Verizon for lengthy interconnection links are not significant in its interconnection with Cox. Collins Direct Testimony at 9.</p> <p>• Verizon's proposal is inconsistent with the requirements of 47 C.F.R. § 51.703(b), as well as with the obligation of ILECs to make interconnection available at any technically feasible point under Section 251(c)(2) of the Act. Cox Petition, Exhibit 6 at 3; Collins Rebuttal Testimony at 2.</p> <p>• Verizon would erroneously re-classify a local call as toll, based solely on the location of the POI used by Cox. Collins Rebuttal Testimony at 2.</p> <p>• The transport cost Verizon objects to is one commonly borne by Verizon for its own traffic: Verizon transports its own local traffic, i.e., calls from one Verizon customer to another Verizon customer located in the same local calling area, outside that local calling area for tandem switching. The cost of transporting traffic beyond the local calling area (to Verizon's tandem and back) is borne</p>	<p>800/888/877/866) traffic, IntraLATA Toll Traffic between their respective Telephone Exchange Service customers pursuant to Section 251(c)(2) of the Act, in accordance with Section 5;</p> <p>Access Toll Connecting Trunks for the transmission and routing of Exchange Access traffic, including translated InterLATA toll free service access code (e.g., 800/888/877/866) traffic, between Cox Telephone Exchange Service customers and purchasers of Switched Exchange Access Service via a Verizon Tandem, pursuant to Section 251(c)(2) of the Act, in accordance with Section 6;</p> <p>911/E911 Trunks (one-way) for the transmission and routing of terminating E911/911 traffic, in accordance with Section 7;</p> <p>At Cox's option, Cox shall configure the following separate and distinct trunk groups:</p> <p>Information Services Trunks for the transmission and routing of terminating Information Services Traffic in accordance with Section 7;</p> <p>At either party's option, either Party may order:</p>	

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		<p>1.6.4 In establishing a Mid-Span Fiber Meet arrangement and associated interconnection trunking, or an augment to such an arrangement the Parties agree to work together on routing, determining the appropriate facility system size (i.e., OC-n) based on the most recent traffic forecasts, equipment selection, ordering, provisioning, maintenance, repair, testing, augment, and compensation procedures and arrangements, reasonable distance limitations, and on any other arrangements necessary to implement the Mid-Span Fiber Meet arrangement and associated interconnection trunking ("Implementation Provisions"). The Implementation Provisions shall be agreed to by the Parties in writing at the initial implementation meeting. If, despite the Parties good faith efforts, the Parties cannot agree on material terms relating to the Implementation Provisions, the dispute resolution provisions of</p>	<p>by Verizon. Collins Rebuttal Testimony at 3.</p> <ul style="list-style-type: none"> • The Massachusetts commission rejected Verizon's GRIP proposal in part because Verizon's "...cite to the FCC's language regarding 'expensive interconnection' is not on point because the FCC there was referring to interconnection costs – not transport costs." Collins Rebuttal Testimony at 5-6. • CLECs can not be compelled to adopt either the legacy technology or the network design of an incumbent local exchange carrier ("ILEC") as a condition of interconnection -- Cox is building a network utilizing modern technology that does now and will continue to differ radically from Verizon's current network. Collins Rebuttal Testimony at 2. • The South Carolina commission's decision should have no bearing on Cox's position here: the network interconnection design proposed by AT&T and rejected by the South Carolina commission in that case required that the number of IPs used by each party would be no greater than the number of tandems deployed by BellSouth in the LATA. In marked contrast, Cox and Verizon have agreed to designate IPs at every 	<p>BLV/BLVI Trunks for the transmission and routing of terminating BLV/BLVI traffic, in accordance with Section 7;</p> <p>The Parties may configure other trunk groups as may be requested and agreed to by the Parties</p> <p>4.2.2 Interconnection Points. Each Party shall establish Interconnection Points ("IPs") at the available locations designated in Schedule 4.1. The mutually agreed-upon IPs on the Cox network from which Cox will provide transport and termination of traffic to its Customers shall be designated as the Cox Interconnection Points ("Cox-IPs"). The mutually agreed-upon IPs on the Verizon network from which Verizon will provide transport and termination of traffic to its Customers shall be designated as the Verizon Interconnection Point(s) ("Verizon-IP(s)"); provided that such Verizon-IP(s) shall be either the Verizon terminating End Office serving the Verizon Customer (for Interconnection where direct trunking to the Verizon End Office is used) or the Verizon Tandem subtended by the terminating End Office serving the Verizon Customer (for Interconnection where direct trunking</p>	

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		<p><i>Section 28.11 of this Agreement shall apply. Unless otherwise mutually agreed, in order to delay the Mid-Span activation date required under this Section either Party must be granted a stay of the timeframe by the Commission. The activation date for a Mid-Span Fiber Meet arrangement or an augment to such arrangement, shall be established as follows: (i) the Mid-Span Fiber Meet facilities shall be activated within 120 days from the initial implementation meeting which shall be held within 10 business days of the receipt by VERIZON of AT&T's complete and accurate response to the VERIZON Mid-Span Fiber Meet questionnaire and (ii) the provisioning for the DS3 facilities and the trunk groups up to 10 new trunk groups or 1440 switched trunks, within 60 business days after the Mid-Span Meet facility system is activated. Intervals for quantities of trunks greater than the specified limits shall be negotiated by the Parties.</i></p>	<p>Network Architecture</p> <p>switch with which they interconnect in a LATA. Collins Rebuttal Testimony at 7.</p> <ul style="list-style-type: none"> • The Oregon Commission rejected the notion that CLECs should be required to compensate ILECs for every additional cost imposed on the ILEC by the method of interconnection elected by the CLEC. "because we are concerned that such an approach may impair the ability of competing carriers to implement more advanced network architectures." Instead, Oregon ILECs are entitled to compensation only when the additional costs are "extremely inefficient," judged in the context of both the CLEC's and the ILEC's network architectures. Collins Rebuttal Testimony at 8. • Verizon and Cox should cooperate, through bilateral discussion, in selecting interconnection points that are fair to both in view of both present and future facilities. Under Cox's proposal, each party is fairly compensated for the transport and termination of the traffic originated by the other. Cox Petition at 9. • The two federal District Court decisions cited by Verizon witnesses do not apply to Cox's case. These courts considered proposals to 	<p>to the Verizon Tandem is used). Each Party is responsible for delivering its terminating traffic to the other Party's relevant IP.</p> <p><i>4.2.2.1 Each Party shall make available at least one designated IP in each LATA in which it has Customers, as designated in Schedule 4.2. Any additional traffic that is not covered in Schedule 4.2 and is not Switched Exchange Access traffic shall be subject to separate negotiations between the Parties, except that either Party may deliver such additional traffic to the other Party for termination as long as the delivering Party pays the receiving Party's then current tariffed Switched Exchange Access rates for terminating such traffic.</i></p> <p><i>4.2.3 Points of Interconnection.</i> As and to the extent required by Section 251 of the Act, the Parties shall provide Interconnection of their networks at any technically feasible point, as described in Section 4.2. To the extent the originating Party's Point of Interconnection ("POI") is not located at the terminating Party's relevant IP, the originating Party is responsible for transporting its traffic from its POI to the terminating Party's relevant IP.</p>	

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		<p><i>The timeframes specified in this section are contingent upon AT&T's completing its milestones agreed to at the initial implementation meeting on time. If AT&T obtains dark fiber from a third party for its portion of the fiber optic cable, AT&T shall use reasonable efforts to ensure that the third-party provider does not unreasonably delay VERIZON's efforts to complete the interconnection by the deadline. Any Mid-Span Fiber Meet arrangement where the fiber splice location will be located at a third-party premises is expressly conditioned on the Parties having sufficient fiber optic cable capacity at the requested location to meet such request, each Party having unrestricted 24-hour access to the requested location, and on other appropriate protections as reasonably deemed necessary by either Party, and on an appropriate commitment that such access and other arrangements will</i></p>	<p>establish one POI per LATA, which is not at issue in this proceeding: <u>Cox and Verizon have agreed to designate IPs at every switch with which they interconnect in a LATA. Collins Rebuttal Testimony at 9.</u></p> <p>• <u>Verizon has never proposed a "Virtual" IP arrangement to Cox in negotiations, did not include proposed language to support a VGRIP arrangement in its Answer to Cox's Petition and did not propose language to support a VGRIP arrangement in Cox's portion of the initial Joint DPL filed June 22, 2001. Cox concludes that Verizon's use of the term "the Petitioners" in its testimony regarding VGRIP was mistaken, and that it meant in every case to refer only to AT&T and WorldCom. Collins Rebuttal Testimony at 11.</u></p> <p>• <u>The VGRIP proposal is not a reasonable alternative or "compromise": Cox pays premium rates for collocation space in Verizon's central office(s) and is responsible for all expenses involved in delivering its traffic to Verizon. It is unreasonable for Verizon to suggest that such facilities and collocation space should then be diverted for Verizon's use in delivering its traffic to Cox. Collins Rebuttal Testimony at 11.</u></p>	<p>4.2.4 Geographic Relevance. <u>In the event either Party fails to make available a geographically relevant End Office or functional equivalent as an IP and POI on its network, the other Party may, at any time, request that the first Party establish such additional technically feasible point as an IP and/or POI. Such requests shall be made as a part of the Joint Process established pursuant to subsection 10.1. A "geographically relevant" IP shall mean an IP that is located within the Verizon local calling area of equivalent Verizon end user Customers, but no greater than twenty five (25) miles from the Verizon Rate Center Point of the Verizon NXX serving the equivalent relevant end user Customers, or, with the mutual agreement of the Parties, an existing and currently utilized IP within the LATA but outside the foregoing Verizon local calling area and/or twenty five (25) mile radius. "Equivalent" customers shall mean customers served by either Party and which are assigned telephone numbers in the same Rate Center. If after thirty (30) days following said request such geographically relevant handoffs have not been made available by Cox, Cox shall bill and Verizon shall pay only the End Office Reciprocal Compensation rate for the relevant NXX less Verizon's</u></p>	

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		<p><i>not be changed or altered.</i></p> <p>1.6.5 <i>Unless the Parties otherwise mutually agree, the SONET data control channel will be disabled.</i></p> <p>1.7 <i>Any other technically feasible method requested by AT&T.</i></p> <p>2. VERIZON METHODS – VERIZON may specify one or more of the following methods to interconnect with the AT&T network, subject to the terms herein:</p> <p>2.1 <i>Space License - AT&T, at its sole discretion, may permit VERIZON to utilize space and power in AT&T facilities specified by AT&T solely for the purpose of terminating ESIT, Transit Traffic and Meet Point Traffic (collectively "I-Traffic"). The terms and conditions of such arrangement shall be pursuant to Schedule 4.2.2 (Space License) of this Agreement.</i></p> <p>2.1.1 <i>Notwithstanding AT&T's</i></p>	<p><u>DISPUTED ISSUES OF FACT:</u></p> <p><u>All facts asserted in Cox's Petition and in the Direct and Rebuttal Testimony of Cox's witness, Dr. Francis Collins, that are not listed below as admissions are deemed by Cox to be disputed.</u></p> <p><u>ADMISSIONS PURSUANT TO ARBITRATION PROCEDURES NOTICE:</u></p> <p><u>Pursuant to the Arbitration Procedures Notice, Procedures Established for Arbitration of Interconnection Agreements Between Verizon and AT&T, Cox, and WorldCom, Public Notice, DA 01-270 (rel. Feb. 1, 2001), the following assertions made in Cox's Petition or in the Direct Testimony of Cox's witness, Dr. Collins, and not specifically denied in Verizon's Answer or in the testimony of Verizon's witnesses are deemed admitted:</u></p> <ul style="list-style-type: none"> <u>Cox has agreed to establish multiple interconnection points at every Verizon switch where Cox interconnects, thus obligating Cox to hand off its traffic to Verizon at Verizon's doorstep.</u> 	<p><u>transport rate from Verizon's originating End Office to Cox-IP.</u></p> <p>4.2.4 <u>The Parties shall configure separate one-way trunk groups for traffic from Cox to Verizon, and for traffic from Verizon to Cox, respectively; however, either Party may at its discretion request that the trunk groups shall be equipped as two-way trunks for testing purposes.</u></p> <p>4.3 <u>Physical Architectures</u></p> <p>4.3.1 <u>Cox shall have the sole right and discretion to specify any of the following three methods for interconnection at the Verizon-IPs:</u></p> <p>(a) <u>a Physical or Virtual Collocation node Cox established at the Verizon-IP; and/or</u></p> <p>(b) <u>a Physical or Virtual Collocation node established separately at the Verizon-IP by a third party with whom Cox has contracted for such purposes; and/or</u></p> <p>(c) <u>an Entrance Facility and transport (where applicable) leased from Verizon (and any necessary multiplexing), to the Verizon-IP.</u></p> <p>4.3.2 <u>Cox shall provide its own</u></p>	

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		<p>sole discretion to permit VERIZON to utilize space and power in AT&T facilities, if VERIZON is providing to AT&T an exchange access entrance facility to a certain AT&T Switch Center and the terminating equipment used to provide such exchange access entrance facility has spare capacity, then VERIZON may, at its discretion, use the spare capacity of such equipment to establish transport facilities for the purpose of terminating I-Traffic under the terms, conditions and prices set forth in Schedule 4.2.2 (Space License) of this Agreement.</p> <p>2.2 Dedicated Transport provided by AT&T – Such leased facilities shall be provided, where available at the rates, terms, and conditions set forth in this Agreement or AT&T tariff. Dedicated Transport shall be considered available based on AT&T's projected need for the requested capacity over the term requested by</p>	<p>• For the vast majority of the current interconnection arrangements between Verizon and Cox, the distance between the boundary of the Verizon local calling area and the Cox IP is within the parameters that Verizon has proposed for "geographical relevance."</p> <p><i>It is AT&T's position that the responsibility for originating, transporting, and terminating traffic should be mutual, and that each party should be financially responsible for transporting its own originating traffic to the point of interconnection (POI)¹ on the terminating party's network and pay for any transport and termination used to complete the traffic, as long as there is at least one POI per LATA. With respect to the selection of the POI, AT&T proposes that it select the POI for its traffic and Verizon may designate an independent POI for its traffic as long as Verizon and AT&T mutually agree to the location of Verizon's POI. Failing mutual agreement, AT&T proposes in its agreement that Verizon's POI would default to the location of the AT&T switch(es) in the LATA. Revised Talbott/Schell Direct Testimony Non-Mediated Issues at 35. AT&T's position is consistent with the fundamental interconnection</i></p>	<p>facilities or purchase necessary transport for the delivery of traffic to any Collocation arrangement it establishes at a Verizon-IP pursuant to Section 13.</p> <p>4.3.3 Cox may order from Verizon any of the Interconnection methods specified above in accordance with the order intervals, and other terms and conditions, including without limitation, rates and charges, set forth in this Agreement, in any applicable Tariff(s), or as may be subsequently agreed to between the Parties.</p> <p>4.3.4 Verizon shall have the sole right and discretion to specify any of the following method for Interconnection at any of the Cox-IPs:</p> <p>(a) an Entrance Facility leased from Cox (and any necessary multiplexing), to the Cox-IP.</p> <p>(a) a physical, virtual or other alternative Collocation node Verizon establishes at the Cox-IP; and/or</p> <p>(b) a physical, virtual or other alternative Collocation node established separately at the Cox-IP by a third party with whom Verizon has contracted for such purposes; and/or</p>	

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		<p>VERIZON.</p> <p>2.3 Third Party Facilities – where VERIZON utilizes the facilities provided by a source other than itself or AT&T. VERIZON shall comply with industry standards to maintain network integrity and will be solely responsible for any charges or fees assessed by the third party for use of its facilities.</p> <p>2.5 Intra-building Interconnection – subject to mutual agreement of the parties, where both Parties have a presence within a building (e.g., a commercial building that is not a telephone central office or a telephone central office condominium arrangement) utilizing an intra-building cable.</p> <p>2.6 Mid-Span Fiber Meet – interconnection of each Party's fiber cable at a location to which the parties have mutually agreed. Such arrangements, when at the request of the VERIZON, are subject to the mutual</p>	<p>principles set forth in the Act, the FCC regulations and Orders, and numerous state decisions. The first fundamental principle that supports AT&T's position is the principle that new entrants, not ILECs, decide where they interconnect to the ILEC's network at any technically feasible point. Specifically, Rule 51.305(a)(2) obligates Verizon to allow interconnection by a CLEC at any technically feasible point. In its Local Competition Order, the FCC explained that the interconnection obligation of Section 251(c)(2), allows competing carriers to choose the most efficient points at which to exchange traffic with incumbent ILECs, thereby lowering the competing carriers' costs of, among other things, transport and termination of traffic. Local Competition Order at ¶ 172 (emphasis added). Section 251(c)(2) gives the CLEC the right to select where it wants to interconnect, a right that enables it to establish, if it wishes, as few as one POI per LATA. This rule and policy that allows a single switch presence per LATA enables new entrants to grow their business economically without having to duplicate the ILEC's existing network. There is no concurrent right for the ILEC to select an interconnection point or POI.</p>	<p>4.3.5 Verizon shall provide its own facilities or purchase necessary transport for the delivery of traffic to any Collocation node it establishes at a Cox-IP pursuant to Section 13.</p> <p>4.3.6 Verizon may order from Cox the Interconnection method specified above in accordance with the order intervals and other terms and conditions, including, without limitation, rates and charges, set forth in this Agreement, in any applicable Tariff(s), or as may be subsequently agreed to between the Parties.</p> <p>4.3.7 The publication "Bellcore Technical Publication GR-342-CORE; High Capacity Digital Special Access Service, Transmission Parameter Limits and Interface Combination" describes the specification and interfaces generally utilized by Verizon and is referenced herein to assist the Parties in meeting their respective Interconnection responsibilities.</p> <p>4.3.8 In recognition of the large number and variety of Verizon-IPs available for use by Cox, Cox's ability to select from among those points to minimize the amount of transport it needs to provide or purchase, and the fewer number of</p>	

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		<p>agreement of the Parties. Unless otherwise mutually agreed, each Party shall bear its own costs to install and operate the facilities on its side of the fiber optic splice connection.</p> <p>2.6.1 The Parties will work cooperatively in the selection of compatible transmission equipment.</p> <p>2.6.2 Unless the Party's otherwise mutually agree, the SONET data control channel will be disabled.</p> <p>3. TRANSITION TO NEW ARRANGEMENT - The Parties will implement the interconnection arrangement specified in this Schedule in accordance with the following:</p> <p>3.1 Upon the Effective Date of the Agreement, if either Party is providing interconnection facilities and/or transport to the terminating Party as described in Part A and for which the terminating Party</p>	<p>The FCC's statements on the issue of POI selection are clear and the FCC has consistently applied §251(c)(2) to prevent ILECs from increasing CLEC's costs by requiring multiple points of interconnection.² Many federal district courts also have rejected as inconsistent with Section 251(c)(2), incumbents' efforts to require competing carriers to establish points of interconnection in each local calling area.³ In addition, numerous state commissions have rejected the ILEC's position and have ruled in AT&T's favor.⁴</p> <p>The second fundamental interconnection principle is that each carrier is responsible for delivering its originating traffic to the POI.⁵ Both FCC regulations and decisions support this principle. 47 C.F.R. § 51.703(b) provides that "A LEC may not assess charges on any other telecommunications carrier for local telecommunications traffic that originates on the LEC's network." Further, 47 C.F.R. § 51.709(b) reads "The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the proportion of that trunk capacity used by an interconnecting carrier to send traffic</p>	<p><u>Cox-IPs available to Verizon to select from for similar purposes, Cox shall charge Verizon no more than a non-distance sensitive Entrance Facility charge as provided in Exhibit A for the transport of traffic from a Verizon-IP to a Cox-IP in any given LATA.</u></p> <p>4.0 INTERCONNECTION PURSUANT TO SECTION 251(c)(2)</p> <p>The types of Traffic to be exchanged under this Agreement shall be Local Traffic, IntraLATA Toll (and InterLATA Toll, as applicable) Traffic, Tandem Transit Traffic, Meet Point Billing Traffic, and Ancillary Traffic. Subject to the terms and conditions of this Agreement, Interconnection of the Parties' facilities and equipment pursuant to this Section 4.0 for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic shall be established in accordance with Sections 4.2 and 4.3 below.</p> <p>4.1 Scope</p> <p>4.1.1 Section 4 describes the architecture for Interconnection of the Parties' facilities and equipment</p>	

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		<p>was not paying compensation under the former agreement, then the providing Party may immediately assess, and the terminating Party shall pay, the charges for such interconnection facilities and transport, as applicable.</p> <p>3.2 If either Party determines that the interconnection arrangement implemented under the former agreement does not comport with interconnection arrangement set forth in this Schedule, then such Party may request that the existing interconnection arrangement be converted to the interconnection arrangement set forth in this Schedule. To assure that any such conversion is reasonable, such conversions will be implemented in accordance with the following guidelines.</p> <p>3.2.1 Within forty five (45) days of a request by either Party to convert the existing interconnection arrangement, the Parties will mutually develop a</p>	<p>that will terminate on the providing carrier's network." Moreover, in its Local Competition Order, the FCC addressed this fundamental rule that each party bears responsibility for the costs of transporting its own traffic and described the obligation consistent with AT&T proposal in this case.⁶ In fact, most recently in the InterCarrier Compensation NPRM, the FCC confirmed that this principle is set forth in its current rules. It stated: "Under our current rules, the originating telecommunications carrier bears the costs of transporting traffic to its point interconnection with the terminating carrier." InterCarrier Compensation NPRM at ¶70.</p> <p>In addition to the state decisions cited above relating to POI selection, which also include findings that the originating carrier is required to transport its traffic to the POI, the state commissions in Florida, New York and Georgia also recently confirmed the principle that each party should be financially responsible for delivering its traffic to a POI – even if it is a single POI within a LATA. FL: Order, Petition by AT&T Communications of the Southern States, Inc. d/b/a/ AT&T for Arbitration of Certain terms and conditions proposed by Bell South</p>	<p>over which the Parties shall configure the following separate and distinct trunk groups:</p> <p>Traffic Exchange Trunks for the transmission and routing of terminating Local Traffic, Tandem Transit Traffic, translated LEC IntraLATA toll free service access code (e.g., 800/888/877) (hereinafter, 8YY) traffic, IntraLATA Toll Traffic, and, where agreed to between the Parties and as set forth in Subsection 4.2.10 below, InterLATA Toll Traffic between their respective Telephone Exchange Service Customers pursuant to Section 251(c)(2) of the Act, and, Internet Traffic, all in accordance with Section 5 below;</p> <p>Access Toll Connecting Trunks for the transmission and routing of Exchange Access traffic, including translated interLATA 8YY traffic, between AT&T Telephone Exchange Service Customers and purchasers of Switched Exchange Access Service via a Verizon access Tandem, pursuant to Section 251(c)(2) of the Act, in accordance with Section 6 below;</p> <p>Untranslated 8YY Access Toll Connecting Trunks for the transmission and routing of untranslated 8YY traffic from AT&T</p>	

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		<p>transition plan for each LATA based on the terms of this agreement that will specify: (1) each party's POIs; (2) to the extent known at that time, each party's plans for deploying new interconnection facilities (e.g., build or lease); (3) the existing interconnection arrangements that will be grandfathered, if any; (4) the applicable grandfather period for each such arrangement; (5) the sequence and timeframes for the balance of the existing arrangements to be converted to the new interconnection arrangement; and (6) any special ordering and implementation procedures to be used for such conversions.</p> <p>3.2.2 If the Parties have deployed two-way ESIT trunk groups (exclusive of exchange access trunks on which the parties may have combined ESIT) under the previous agreement, then at AT&T's request VERIZON hereby agrees that: (1) as of the</p>	<p>Telecommunications, Inc. pursuant to 47 U.S.C. Sec. 252, Dkt. No. 000731-TP at 34-46 (June 28, 2001); NY: Order, Joint Petition of AT&T Comm. of NY Inc., TCG New York Inc. and ACC Telecom Corp. pursuant to Sec. 252(b) of the Act for Arbitration to establish Interconnection Agreement with Verizon NY Inc., Case No. 01-C-0095 at 28 (July 30, 2001); GA: Final Order, Generic Proceeding on Point of Interconnection and Virtual FX Issues, Docket No. 13542-U (August 16, 2001). . In fact, the Georgia Commission provided an accurate and insightful description of the interrelationship between the obligation to transport traffic to the POI and the CLEC's right to select a POI which bears repeating here. Specifically, the Commission stated: "Assuming a CLEC's choice to interconnect at a single point in the LATA resulted in greater transport costs than if the CLEC established a POI in each local calling area within the LATA, it still does not lead to the conclusion that the CLEC should bear the costs of transporting the traffic to the POI. To draw such a conclusion would be to argue that a CLEC should pay a price for taking advantage of its rights under the Federal Act as construed by the FCC. Stated in the converse, it is to argue that an ILEC should receive</p>	<p>Telephone Exchange Service Customers to a single Verizon access Tandem as designated by Verizon for translation in accordance with Section 6 below;</p> <p>Information Services Trunks for the transmission and routing of terminating Information Services Traffic in accordance with Section 7 below;</p> <p>911/E911 Trunks for the transmission and routing of terminating E911/911 traffic, in accordance with Section 7 below; and</p> <p>Other types of trunk groups may be used by the Parties as provided in other Sections of this Agreement or in other separate agreements between the Parties (e.g., Directory Assistance Trunks, Operator Services Trunks, BLV/BLVI Trunks).</p> <p>4.1.2 Points of Interconnection. As and to the extent required by Section 251 of the Act, the Parties shall provide Interconnection of their networks at any technically feasible point, as described in Section 4.2. To the extent the originating Party's Point of Interconnection ("POI") is not located at the receiving Party's</p>	

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		<p>date of AT&T's request the existing two-way trunk groups will be capped (i.e., no longer augmented); (2) the parties will establish and augment new one-way trunk groups for traffic growth; (3) with respect to end-office trunk groups, one-way groups shall be designated primary-high, and two-way end-office trunk groups shall be designated intermediate-high; (4) with respect to tandem trunk groups, one-way groups shall be designated direct or alternate final and two-way groups shall be designated alternate final or intermediate high; both as designated by AT&T; and (5) notwithstanding the one-year limit set forth in Section 3.2.4, on the date requested by AT&T, the two-way groups will be discontinued and the affected traffic will be routed via the one-way trunk groups.</p> <p>3.2.3 Unless otherwise mutually agreed, each Party shall bear its own costs to convert from the existing interconnection</p>	<p>additional compensation for meeting its duty under the Federal Act. Presumably, Congress believed imposing upon ILECs the specific interconnection obligations would best accomplish the goals of the legislation. Shifting cost recovery from BellSouth to a CLEC simply because a CLEC took advantage of its rights under the Federal Act would undermine this Congressional intent. As AT&T stated in its Brief, "It is a hollow gesture to allow CLECs to designate a single point of interconnection and then require CLECs to pay the difference of the cost of that single point of interconnection and the cost of multiple points of interconnection in every BellSouth basic local calling area." (AT&T Brief, p. 23). The relevant inquiry is not whether transport costs would be less if a CLEC chose to establish additional POIs in each local calling area, but rather, whether an ILEC's duties extend to paying for the transport of local calls to a POI outside the local calling area. " <i>Id.</i> at 5-6. The Georgia Commission got it exactly right.</p> <p>Verizon's proposal, however, completely ignores the basic tenants of interconnection described above because its proposal would enable it,</p>	<p>relevant Interconnection Point ("IP"), the originating Party is responsible for transporting its traffic from its POI to the receiving Party's relevant IP.</p> <p>4.1.3 Interconnection Points. Each Party is responsible for delivering its Local Traffic that is to be terminated by the other Party to the other Party's relevant IP. The originating Party will be responsible for providing transport on its side of the other Party's IP and the terminating party will be responsible for providing transport on its side of its IP, and the cost of such transport will be recovered through reciprocal compensation.</p> <p>4.1.3.1 In the case of Verizon as the receiving Party for Local Traffic delivered by AT&T to Verizon, the geographically-relevant Verizon-IP shall be either:</p> <p>(i) the Verizon Tandem subtended by the terminating End Office serving the Verizon Customer; or</p> <p>(ii) the Verizon End Office serving the Verizon Customer.</p> <p>4.1.3.2 In the case of AT&T as the receiving Party, Verizon may request, and AT&T will then establish,</p>	

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		<p>arrangements to the interconnection arrangements described in this Agreement.</p> <p>3.2.4 Unless otherwise mutually agreed, the Parties will complete the conversion within one (1) year of the request by either Party to convert the existing interconnection arrangement.</p> <p>3.3 If, following one (1) year after the request by either Party to convert the existing interconnection arrangement pursuant to Section 3.2, there exists any I-Traffic trunks which (1) are not grandfathered pursuant to Section 3.2.1 of this Part B and (2) have not been converted to the interconnection arrangements described in this Agreement, then either Party may elect to initiate an Alternative Dispute Resolution proceeding, in accordance with the process set forth in Section 28.11 of this Agreement, to require the other party to complete</p>	<p>rather than AT&T, to select the POIs, and would transfer a substantial amount of its origination and termination costs to AT&T. Verizon proposes that in most instances AT&T must deliver its traffic all the way to the Verizon end office - or to what Verizon describes as a "geographically relevant interconnection point" (what Verizon terms a "GRIP"). If AT&T doesn't establish a POI at every end office, then Verizon proposes that AT&T pay Verizon for the additional transport costs that Verizon is incurring to deliver its originating traffic to AT&T's POIs. For traffic originating with Verizon, Verizon proposes that it deliver its traffic only as far as the Verizon tandems, or in some cases only as far as the Verizon originating switch. Moreover, Verizon does not propose to pay AT&T anything for the costs of taking Verizon's originating traffic from the point where it delivers its traffic to AT&T's switches for termination. Revised Talbott/Schell Direct Non-Mediated Issues Testimony at 29-30. Verizon's proposal has the practical, and certainly the economic effect of requiring AT&T to have a physical point of interconnection in every basic local calling area in Virginia - a violation of the above described interconnection principles.⁷</p>	<p>geographically-relevant IPs by establishing an AT&T-IP at a collocation site at each Verizon Tandem in a LATA (or, in the case of a single Tandem LATA, at each Verizon End Office Host; or, in the case of a LATA with no Verizon Tandem, at such other Verizon Wire Center as determined by Verizon) for those (AT&T) NPA-NXX's serving equivalent Verizon Rate Centers which subtend the Verizon Tandem (or, in the case of a single Tandem LATA, at each Verizon End Office Host; or, in the case of a LATA with no Verizon Tandem, at such other Verizon Wire Center as determined by Verizon); provided, however, if Collocation is not available at a particular Verizon Tandem, End Office Host or such other Verizon Wire Center chosen by Verizon, the Parties will negotiate a mutually acceptable AT&T-IP in such case. AT&T shall identify its IPs in writing pursuant to Section 4.4. If AT&T fails to establish a geographically relevant IP as provided herein within a commercially reasonable timeframe, then AT&T shall bill and Verizon shall pay only the Local Call Termination End Office rate as set forth in Exhibit A, less Verizon's monthly recurring rate for unbundled Dedicated Transport from Verizon's originating End Office to the AT&T-</p>	

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		such conversion.		IP (for traffic to the relevant NPA-NXX).	
		4. MEET POINT TRAFFIC - The Parties will establish two-way meet point trunk groups separate from ESIT trunk groups, to carry Meet Point Traffic. The trunks will be established in GR-394-CORE format. The Parties agree that, in addition to the provisions of Section 6.3 of the Agreement, the following provisions will apply to the switching and transport of Meet Point Traffic:	AT&T has studied the cost of implementing Verizon's and AT&T's competing proposals in Verizon's service area in Virginia. The results of the study show that Verizon's proposal would have a significant adverse financial impact on AT&T's local telephone operations in Virginia. For example, AT&T's monthly per line interconnection costs for 2001 under AT&T's proposal would be \$0.92 while its costs under the Verizon proposal would be \$3.26. <i>Id.</i> at 37. Implementing Verizon's proposal in Virginia would cause AT&T to bear the cost of transporting Verizon's originating traffic from a point in each of Verizon's local service areas to AT&T's switch. This would increase AT&T's current local interconnection costs anywhere from \$6,414,000 to \$10,749,000 during the life of a 3 year ICA. <i>Id.</i> at 45. These costs to AT&T should not be viewed in isolation. Verizon and AT&T are not similarly situated carriers. Verizon is the incumbent carrier with a 90%-plus market share. <i>Id.</i> at 45. Obviously, the effect of an increase in interconnection costs on AT&T will be significantly different than the effect on Verizon. For example, since Verizon has approximately [BEGIN VZ-VA PROPRIETARY] 3,701,333 million lines in Virginia (<i>Id.</i>), its 2001	4.1.3.3 Should either Party offer additional IPs to any Telecommunications Carrier that is not a Party to this Agreement, the other Party may elect to deliver traffic to such IPs for the NPA-NXXs served by those IPs. To the extent that any such AT&T-IP is not located at a Collocation site at a Verizon Tandem (or Verizon End Office Host) or other Verizon End Office, then AT&T shall permit Verizon to establish physical Interconnection at the AT&T-IP, to the extent such physical Interconnection is technically feasible.	
		4.1 Each Party will provide to the other Party tandem switching and transport of Feature Group B and D calls from end-users who have chosen an IXC that is connected to the first Party's Tandem Switch.		4.1.3.4 At any time that AT&T establishes a Collocation site at a Verizon End Office, then either Party may request that such AT&T Collocation site be established as the AT&T-IP for traffic originated by Verizon Customers served by that End Office. Such request shall be negotiated pursuant to the Joint Grooming Plan process, and approval shall not be unreasonably withheld or delayed. To the extent that the Parties have already implemented network Interconnection in a LATA at a point that is not geographically relevant (as that term	
		4.2 When VERIZON provides the tandem switching and AT&T provides the transport and local switching functions, then (i) neither Party will charge the other			

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		for the use of its facilities; and (ii) the Parties will allocate revenues from the switched access services provided to the IXC in accordance with MECOD/MECAB guidelines.	interconnection costs under AT&T's proposal would be 2.93 cents per line, per month (\$0.0293), an amount which overestimates Verizon's actual costs since it is based on Verizon costs being equal to its exchange access rates. AT&T's costs under Verizon's proposal would be nearly 100 times as high –or some \$3.26 per line, per month. <i>Id.</i> at 45. [END VZ-VA PROPRIETARY] These higher costs that AT&T would be forced to bear under Verizon's proposal would make those Virginia markets that would have been marginally profitable under AT&T's interconnection proposal, uneconomic to serve. ⁸	is described above) or another AT&T-IP, then upon Verizon's request for a geographically relevant AT&T-IP at such End Office Collocation, the Parties shall negotiate a mutually-acceptable transition process and schedule to implement the requested geographically-relevant IPs. If AT&T should fail to establish an IP at an End Office Collocation site pursuant to Verizon's request, or if the Parties have been unable to agree upon a schedule for completing a transition from existing arrangements to geographically-relevant AT&T-IPs or to an End Office Collocation site AT&T-IP within sixty (60) days following Verizon's request, AT&T shall bill and Verizon shall pay the applicable Local Call Termination End Office rate for the relevant NPA-NXX, as set forth in Exhibit A, less Verizon's monthly recurring rate for unbundled Dedicated Transport from Verizon's originating End Office to the AT&T-IP.	
		4.3 When AT&T provides the tandem switching and the transport functions, VERIZON provides local switching, and AT&T routes traffic via direct end-office trunks, then (i) AT&T will bill the IXC for both Parties' switched access services; and (ii) notwithstanding the MECOD/MECAB guidelines, AT&T will remit to VERIZON 70% of the charges collected from the IXC.	Verizon did not see fit to provide any evidence regarding the increased costs it alleges would result from AT&T's proposal. That is not surprising. The facts show that Verizon's complaints regarding significant increased costs are without merit. ⁹		
		4.4 When AT&T provides the tandem switching and the transport function, VERIZON provides local switching and AT&T routes traffic via the VERIZON tandem, then (i) AT&T will bill the IXC for both Parties' switched access services; and (ii) notwithstanding the MECOD/MECAB	If the Commission is going to encourage local competition, it must enforce the Act and its existing rules and adopt AT&T's POI proposal that requires each party to be financially responsible for all of the costs associated with its originating traffic that terminates on the other Parties'	4.1.4 Transition To New POI Arrangements. For transition to new POI arrangements pursuant to Section 4.1.3 the Parties may, upon mutual agreement, convert the existing affected Interconnection arrangements and trunks in	

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		<p>guidelines, AT&T will remit to VERIZON 90% of the charges collected from the IXC.</p> <p>4.5 In the case of Switched Access Services provided through either Party's access Tandem, the Party providing the access Tandem transit will have no responsibility for ensuring that the Switched Access Service Customer will accept or pay for the traffic.</p> <p>4.6 The Tandem Party in meet point trunking arrangements shall direct traffic received from Switched Access Customers directly to the other Party's End Office serving the called party where such connection exists and is available. Where no such End Office connection exists or is available, traffic received from Switched Access Customers in all cases shall be sent to the other Party's Tandem that is subtended by such End Office.</p>	<p>network.</p> <p>END NOTES</p> <p>1/ Interconnection is the physical linking of two networks for the mutual exchange of traffic. In the Matter of Implementation of the Local Competition Provision in the Telecommunications Act of 1996, First Report and Order, 11 FCC Rcd. 15499, 172, 176 (1996) ("Local Competition Order"). The Point of Interconnection, or POI, is the location where the parties mutually exchange their traffic. Revised Talbott/Schell Direct Testimony Non-Mediated Issues at 10.</p> <p>2/ Memorandum Report and Order, Application by SBC Communications Inc., Southwestern Bell Telephone Company, And Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services In Texas, CC No. 00-65, ¶ 78 (rel. June 30, 2000) (The FCC made clear that §251(c)(2) gives competing local providers the option to interconnect at as few as one technically feasible point within each LATA.); Memorandum and Order, FCC 01-29, Joint Application by SBC Communications Inc., Southwestern</p>	<p>accordance with the following:</p> <p>4.1.4.1 The Parties will mutually develop a transition plan for each LATA that will specify: (1) AT&T's IPs; (2) to the extent known at that time, each Party's plans for deploying new Interconnection facilities (e.g., build or lease); (3) each Party's POI (4) the sequence and timeframes for the transition of existing Interconnection arrangements to the new Interconnection arrangement; and (5) any special ordering and implementation procedures to be used for such transition.</p> <p>4.1.4.2 AT&T shall not charge Verizon any non-recurring or other one-time charges to transition Interconnection arrangements and trunks from the existing Verizon POI to the new Verizon POI.</p> <p>4.1.5 The Parties will mutually agree upon where one way Traffic Exchange Trunks (trunks with traffic going in one direction, including one-way trunks and uni-directional two-way trunks) and/or two way Traffic Exchange Trunks (trunks with traffic going in both directions) will be deployed. To the extent the Parties agree to deploy one way trunk groups, the Parties shall configure</p>	

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		<p>4.7 The Parties agree to cooperate in determining the future technical feasibility of routing originating meet point billing traffic via a Tandem of one Party and a Tandem of the other Party for the purpose of delivering such traffic to the Switched Access Customer. If such an arrangement is found to be technically feasible, the Parties will cooperate in implementing the arrangement, including the adoption of appropriate compensation terms.</p> <p>4.8 Originating Feature Group B calls delivered to either Party's Tandem shall use GR-317-CORE signaling format unless the associated FGB carrier employs GR-394-CORE signaling for its FGB traffic at the serving access Tandem.</p> <p>4.9 The Parties will exchange SS7 signaling messages with one another, where and as available. The Parties will provide all line information signaling parameters including, but not limited to,</p>	<p>Bell Telephone Company and Southwestern Bell Communications Services, Inc. d/b/a/ Southwestern Bell Long Distance for Provision of In-region, interLATA service in Kansas and Oklahoma, CC Docket No. 00-217 (January 22, 2001). The FCC has also found the right of a competing carrier to choose the point of interconnection, sufficiently clear and compelling to intervene in court reviews of interconnection disputes. See Memorandum of the Federal Communications Commission as Amicus Curiae, at 20-21, US West Communications Inc., v. AT&T Communications of the Pacific Northwest, Inc., et al. (No. CV 97-1575-JE) (D. Or. 1998).</p> <p>3/ See, e.g., US West Communications, Inc., v. Minnesota Public Utilities Commission, et al., No. 97-913 ADMAJB, slip op. at 33-34 (D. Minn. 1999) (rejecting US West's argument that section 251(c)(2) requires at least one point of interconnection in each local calling exchange served by US West); U.S. West Communications, Inc. v. Hix, et al., No. C97-D-152, (D. Colo., June 23, 2000)(The district court reversed a state commission's order that a CLEC must establish an interconnection point in every local calling area.); US</p>	<p>separate one-way or two-way (with traffic going in one direction) trunk groups for those trunk types described in Subsection 4.1.1 above and provision and maintain such one way trunk groups in accordance with Section 10 of this Agreement. The Parties agree that Access Toll Connecting Trunks shall be two way trunks. If the Parties agree to deploy two way trunks for Traffic Exchange Trunks the Parties shall amend this Agreement to provide mutually agreed upon terms and conditions governing such two way trunks.</p> <p>4.2 Interconnection Methods</p> <p>4.2.1 AT&T may specify any of the following methods for its originating traffic for Interconnection with Verizon:</p> <p>4.2.1.1 A Collocation node AT&T has established at a Verizon Wire Center pursuant to Section 13 of this Agreement; and/or</p> <p>4.2.1.2 A Collocation node that has been established separately at a Verizon Wire Center by a third party with whom AT&T has contracted for such purposes; and/or</p> <p>4.2.1.3 An Entrance Facility and transport leased from Verizon (and</p>	

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		<p>Calling Party Number, Charge Number (if it is different from Calling Party Number), and originating line information ("OLI"). For terminating FGD, either Party will pass any CPN it receives from other carriers. All privacy indicators will be honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (SS7 environment) will be provided by the end office Party wherever such information is needed for call routing or billing. Where TNS information has not been provided by the End Office Party, the Tandem Party will route originating Switched Access traffic to the IXC using available translations. The Parties will follow all industry Ordering and Billing Forum (OBF) adopted guidelines pertaining to TNS codes.</p> <p>5. STANDARDS - The Parties will use the following interconnection standards:</p>	<p>Network Architecture</p> <p><i>WestCommunications v. AT&T Communications of the Pacific Northwest, Inc., et al, No. C97-1320R, 1998 U.S. Dist. LEXIS 22361 at 26 (W.D. Wa. July 21, 1998) (The district court affirmed the state commission's determination that AT&T may establish a single interconnection point within each LATA and rejected the ILEC's contention that a CLEC must have an interconnection point in every local calling area in which it offers service).</i></p> <p>4/ Decision, Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Indiana Bell Telephone Company, Inc., d/b/a/ Ameritech Indiana Pursuant to Section 252(b) of the Telecommunications Act of 1996, Cause No. 40571-INT-03 at 19 (the Indiana Commission adopted AT&T's proposal, permitting interconnection at AT&T's switch for Ameritech's traffic, and either the Ameritech tandem or end office for AT&T's traffic); Opinion, Application of AT&T Communications of California, Inc. (U 5002 C), et al., for Arbitration of an Interconnection Agreement with Pacific Bell Telephone Company Pursuant to Section 252(b) of the Telecommunications Act of 1996, No. 00-01-022, p. 13 (CA PUC Aug. 3,</p>	<p>any necessary multiplexing) pursuant to the applicable Verizon access Tariff, from the AT&T POI to the Verizon-IP.</p> <p>4.2.2 Verizon may specify any of the following methods for its originating traffic for Interconnection with AT&T:</p> <p>4.2.2.1 Interconnection at a Collocation node that AT&T has established at a Verizon Wire Center pursuant to Section 13 of this Agreement; and/or</p> <p>4.2.2.2 Interconnection at a Collocation node that has been established separately at a Verizon Wire Center by a third party and such third party has established facilities between the Verizon Wire Center and the AT&T IP; and/or</p> <p>4.2.2.3 Via equipment Verizon places at the AT&T premises in accordance with rates, terms and conditions which the Parties shall negotiate at Verizon's request; and/or</p> <p>4.2.2.4 Upon mutual agreement of the Parties, via equipment placed by a third party at the AT&T-IP under separate terms and conditions between AT&T and such third party</p>	

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			Network Architecture		
		<p>5.1 <i>The Parties agree to establish Binary 8 Zero Substitution - Extended Super Frame ("B8ZS ESF") line protocol, where technically feasible.</i></p> <p>5.2 <i>In those cases where either Party's equipment will not support 64K Clear Channel Capability ("CCC"), the Parties agree to establish AMI line coding. Any AMI line coding will be Superframe formatted. Except where multiplexing to a DS1 signal, DS3 facilities will be provisioned with C-bit parity.</i></p> <p>5.3 <i>Where additional equipment is required, such equipment shall be obtained, engineered, and installed to support 64K CCC trunks.</i></p> <p>5.4 <i>All interconnection facilities between the Parties will be sized according to forecasts developed per the requirements of Section 10.3 (Forecasting) of this Agreement and sound engineering practices.</i></p>	<p>2000) (The California Commission approved the arbitrator's findings that AT&T could save on its interconnection costs if it was not required to interconnect at each Pacific Bell end office.); See Order, In the Matter of the Petition of TCG Kansas City, Inc. for Compulsory Arbitration of Unresolved Issues with Southwestern Bell Telephone Company Pursuant to Section 252 of the Telecommunications Act of 1996, p. 9 (Aug. 7, 2000) (The Kansas Corporation Commission ordered that TCG should be permitted to establish an interconnection point at SWBT's local and access tandems while SWBT should establish its interconnection point at TCG's switch); See Decision of Arbitration Panel, AT&T Comm'ns of Michigan Inc. and TCG Detroit's Petition for Arbitration, Case No. U-12465 (Oct. 18, 2000) (The Michigan PSC similarly rejected the ILECs interconnection points proposal).</p> <p>5/ Between the originating customer and the POI, the costs of delivery are identified as the origination costs and the facilities that bring the traffic to that point are the interconnection facilities. Revised Talbott/Schell Direct Testimony Non-Mediated Issues at 10.</p>	<p>with whom Verizon has contracted for such purposes; and/or</p> <p>4.2.2.5 An Entrance Facility leased from AT&T (and any necessary multiplexing), to the AT&T-IP.</p> <p>4.2.3 Each Party shall provide its own facilities or purchase necessary transport for the delivery of traffic to any Collocation node it establishes at the other Party's IP pursuant to Section 13.</p> <p>4.2.4 Each Party may order from the other Party any of the Interconnection methods specified above in accordance with the rates and charges, order intervals and other terms and conditions, set forth in this Agreement, in any applicable Tariff(s), or as may be otherwise agreed to between the Parties.</p> <p>4.2.5 The publication "Telcordia Technical Publication GR-342-CORE; High Capacity Digital Special Access Service, Transmission Parameter Limits and Interface Combination" describes the specification and interfaces generally utilized by Verizon and is referenced herein to assist the Parties in meeting their respective Interconnection</p>	

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		5.5 Interconnection will be provided, subject to the operations plan described in Section 2 of Part B, utilizing either a DS1 or DS3 interface or, with the mutual agreement of the Parties, another technically feasible interface (e.g., STS-1).	<p>6/ Specifically, the FCC explained: "The amount an interconnecting carrier pays for dedicated transport is to be proportional to its relative use of the dedicated facility. For example, if the providing carrier provides one-way trunks that the inter-connecting carrier uses exclusively for sending terminating traffic to the providing carrier, then the inter-connecting carrier is to pay the providing carrier a rate that recovers the full forward-looking economic cost of those trunks. <u>The inter-connecting carrier, however, should not be required to pay the providing carrier for one-way trunks in the opposite direction, which the providing carrier owns and uses to send its own traffic to the inter-connecting carrier.</u>" Local Competition Order at ¶ 1062 (emphasis added).</p> <p>7/ Also, Verizon proposes to be allowed the discretion to designate any AT&T collocation arrangement as a Verizon IP. This provision would require AT&T to "pick up" Verizon's traffic at the collocation point and transport it back to the AT&T terminating switch without any compensation from Verizon. Besides being contrary to law because it would require AT&T to bear the cost to transport Verizon's traffic, this</p>	<p>responsibilities.</p> <p>4.2.6 If, pursuant to Section 4.1.4, a Party elects to provision its own one way trunks, that Party will be responsible for the expense of providing such trunks for the delivery of Local Traffic and IntraLATA toll traffic to the other Party's IP.</p> <p>4.2.7 AT&T shall charge Verizon no more than a non-distance sensitive Entrance Facility charge as provided in Exhibit A for the transport of traffic from a Verizon POI to an AT&T-IP in any given LATA.</p> <p>4.2.8 In the event the traffic volume between a receiving Party's End Office and the originating Party's POI, which is carried by a Tandem-routed Tandem Traffic Exchange Trunk group, exceeds the CCS busy hour equivalent of one (1) DS-1 at any time and/or 200,000 combined minutes of use for a single month the originating Party shall promptly establish new End Office one-way Traffic Exchange Trunk groups between the receiving Party's End Office and the originating Party's POI. For purposes of this paragraph, Verizon shall satisfy its End Office trunking obligations by</p>	

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			<p>Network Architecture</p> <p>provision could also directly frustrate AT&T's ability to enter and compete for customers in certain exchange areas. Revised Talbott/Schell Direct Testimony Non-Mediated Issues at 32.</p> <p>8/ Most, if not all, of the additional costs AT&T would have to incur would translate directly into additional Verizon transport revenues, because AT&T would have little choice but to obtain transport facilities from Verizon. Thus, not only does Verizon's proposal increase AT&T's costs to AT&T, it does so in a way that boosts Verizon revenues. Revised Talbott/Schell Direct Testimony Non-Mediated Issues at 46.</p> <p>9/ Verizon's UNE transport rates in Virginia are not distant sensitive; thus the additional incremental costs to transport traffic beyond a local calling area cannot be significant as Verizon suggests. Revised Talbott/Schell Rebuttal Non-Mediated Issues at 9</p>	<p>handing off traffic to a AT&T-IP.</p> <p>4.2.9 Upon mutual agreement of the Parties and where Verizon's existing billing systems currently support the billing of Local Traffic over Feature Group D trunks carrying Switched Exchange Access Service, AT&T may combine its originating Local Traffic and IntraLATA Toll Traffic with Switched Exchange Access Service traffic on Feature Group D trunks. AT&T shall report to Verizon all factors necessary for proper billing of such combined traffic. Such reporting requirements are provided in 5.6 of this Agreement.</p> <p>4.2.10 Under any of the architectures and methods of Interconnection described in this Section 4 and subject to mutual agreement between the Parties, either Party may utilize the Traffic Exchange Trunks for the termination of InterLATA Toll Traffic in accordance with the terms contained in Section 5 and pursuant to the other Party's Switched Exchange Access Service Tariffs. The other Party's Switched Exchange Access Service rates shall apply to such facilities.</p> <p>5.7.3 The Parties shall</p>	

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Network Architecture					
				<p>compensate each other for the transport and termination of Local Traffic in a symmetrical manner at the rates provided in the Detailed Schedule of Itemized Charges (Exhibit A hereto), as may be amended from time to time in accordance with Exhibit A and Section 20 or, if not set forth therein, in the applicable Tariff(s) of the terminating Party, as the case may be. These rates are to be applied at the AT&T-IP for traffic delivered by Verizon, and at the Verizon-IP for traffic delivered by AT&T. Except as expressly specified in this Agreement, no additional charges, including port or transport charges, shall apply for the termination of Local Traffic delivered to the Verizon-IP or the AT&T-IP by the other Party. When Local Traffic is terminated over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic. The designation of traffic as Local or Non-Local Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.</p>	

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Network Architecture					
I-1.A	Mandatory End Office POIs Can Verizon force AT&T to establish a Point of Interconnection at a particular end office, when AT&T traffic to that end office reaches a certain threshold traffic level?	See AT&T Contract Language for Issue I-1.	<p>Verizon proposes to require AT&T to forfeit its right to interconnect at any technically feasible point on Verizon's network if the traffic volume routed through a Verizon tandem to a particular end office "exceeds the CCS busy hour equivalent of one (1) DS-1 at any time and/or 200,000 combined minutes of use for a single month". Verizon Direct Testimony Non-Mediated Issues at 36. Once the traffic reaches that threshold, Verizon proposes that AT&T be required to establish direct trunks to that end office. AT&T objects to Verizon's position because it is contrary to AT&T's right to select the locations at which it interconnects with Verizon's network.</p> <p>The applicable standard for selecting points of interconnection is the technical feasibility standard. Section 251 (c)(2)(B) obligates Verizon to allow interconnection at any technically feasible point. The FCC rules make it clear that trunk interconnection points for a tandem switch are technically feasible interconnection points. CFR 51.305 (a)(2)(iii). Any incumbent LEC proposing to deny such interconnection faces a substantial burden of proof. It "... must prove to the state commission, with clear and convincing evidence, that specific and</p>		

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			<p>Network Architecture</p> <p>significant adverse impacts would result from the requested interconnection or access." Local Competition Order, ¶ 203.</p> <p>A. Verizon has not yet met that burden because it has presented no evidence that demonstrates that specific and significant adverse impacts will result from interconnection at tandem locations when the traffic levels via the tandem to a particular end office are above a one (1) DS-1 level of traffic. Rather, Verizon has simply made a general assertion that the proposed threshold is necessary to prevent its tandems from exhaustion. Verizon Direct Network Architecture Testimony on Non-Mediated Issues at 36. However, tandem exhaustion may be avoided by proper forecasting and deployment of additional tandem switching capacity. Revised Talbott/SchellDirect Testimony on Non-Mediated Issues at 49.</p> <p>Moreover, even if Verizon must bear the cost to deploy additional tandem capacity to its network to accommodate interconnection at its tandem switches, that increased cost does not meet the "significant adverse impact" standard established by the Commission. In fact, the Commission has acknowledged that ILEC interconnection obligations may require ILECs to modify their network</p>		

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			<p>Network Architecture</p> <p><i>to accommodate interconnection. The Commission addressed this matter in its Local Competition Order in which it stated that incumbents are required to adapt their facilities for the purposes of §251(c)(2) and §251(c)(3). Local Competition Order at §202. In any event, Verizon's rates for tandem interconnection are designed to fully compensate Verizon for its forward-looking costs to deploy additional capacity, so any claims of "significant adverse impact" ring hollow. Revised Talbot/Schell Direct Testimony Non-Mediation Issues at 50.</i></p> <p><i>With respect to the level of the proposed threshold, Verizon's proposal that requires direct end office interconnection if the traffic volume "exceeds the CCS busy hour equivalent of one (1) DS-1 at any time and/or 200,000 combined minutes of use for a single month," is an extreme solution for a single spike in traffic volume that does not rise to the standard set by the Commission of a "significant adverse impact" to Verizon's network. As a result of this fixed threshold, AT&T would be required to establish inefficient interconnection because it frequently would be inefficient to establish direct trunking after reaching a single DS-1 threshold. <u>Id.</u> at 51. Moreover,</i></p>		

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			<p>Verizon essentially admitted that it had no supporting cost basis for the DS-1 threshold, and that it also does not have a written practice on this matter for its own engineers to follow. AT&T's Data Requests AT&T 6-25 and AT&T 6-27. Certainly Verizon is free to establish its own engineering practices for its traffic, but it should not be permitted to impose those standards on interconnecting carriers unless and until Verizon satisfies the network impairment standard set by the FCC. Without a cost study or even a written practice to support its position, Verizon cannot credibly claim that a CLEC's routing of traffic through a Verizon tandem is harmful.</p> <p>Verizon's proposal unfairly discriminates against CLECs in violation of §251(c)(2)(D). For example, Verizon admits that its exchange access tariff places no such limitation on the volume of traffic which an exchange access customer may route through a Verizon tandem. AT&T's Data Request AT&T 6-23(a). One can only speculate as to why Verizon has not directed its concern regarding tandem exhaust to other types of traffic, but one could assume that Verizon would have less of an incentive to remove IXC traffic from its tandem since that traffic provides it with exchange access tandem</p>		

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